



Announcement 07-18R

501 Non-Conforming Adjuster and Guideline Change - Revised

Effective with loans locked on or after April 10, 2018

The 501 Non-Conforming program has expanded its guidelines to allow primary residence purchases up to 85% LTV. **A market classification of 1 is required for properties with a metropolitan statistical area median home price (MSA MHP) greater than \$400,000.** Below is an updated LTV matrix with the correction noted in red font.

| MSA MHP | Loan Amount | Market Class | Max LTV |
|-----------------------|----------------------------|--------------|-------------|
| ≤\$300,000 | ≤\$750,000 | 1 | 85% |
| | | 2 | 85% |
| | >\$750,000 - \$1,000,000 | 1 | 85% |
| | | 2 | Not Allowed |
| >\$300,000 - \$400,00 | ≤\$1,000,000 | 1 | 85% |
| | | 2 | 85% |
| | >\$1,000,000 - \$1,250,000 | 1 | 85% |
| | | 2 | Not Allowed |
| >\$400,000 | ≤\$1,500,000 | 1 | 85% |
| | | 2 | Not Allowed |

The pricing adjusters for the 501 Non-Conforming program have been updated to reflect this change. The table below lists the new price adjusters for LTVs from 80.01% to 85%.

| | 80.01% to 85% LTV |
|--------------|--------------------------|
| FICO 800+ | 0.000 |
| FICO 780-799 | +0.250 |
| FICO 760-779 | +0.750 |
| FICO 740-759 | +1.375 |